GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:900
ANSWERED ON:26.02.2009
PERFORMANCE OF ONGC
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the net profit of the Oil and Natural Gas Corporation (ONGC) has reduced by 43% during third quarter of 2008-09;

(b) if so, the reasons therefore;

(c) the projection of profit for Fourth Quarter and whether any steps have been taken to improve the profits and performance of ONGC;

(d) if so, the details thereof; and

(e) if not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURL GAS (SHRI DINSHA PATEL)

(a) and (b) The net Profit After Tax (PAT) earned by Oil & Natural Gas Corporation Limited (ONGC) during the third quarter (Q3) of 2008-09 (October-December, 2008) was Rs.2475 crore as compared to Rs.4367 crore earned during Q3 of 2007-08 and Rs.4808 crore earned during 2nd Quarter of 2008-2009. The lower PAT in Q3 of 2008-2009 could be attributed to the steep fall in international crude oil prices, increase in Operating Expenditure (OPEX) and increase in cost of dry wells and survey etc, by ONGC.

(c) to (e) The profit of ONGC depends on the international price of crude oil and value added petroleum products.Since the international prices of crude oil and value added petroleum products cannot be predicted, the profit of ONGC for 4th quarter of 2008-09 can not be projected.However, ONGC has taken steps to reduce OPEX and cost of dry wells & survey etc.